

Community Development Commission

January 31, 2003

TO: Each Supervisor

FROM: Carlos Jackson, Executive Director

SUBJECT: **RECOMMENDATIONS FOR SIXTH ROUND ALLOCATIONS
CITY OF INDUSTRY FUNDS**

EXECUTIVE SUMMARY

The Housing Authority has completed the evaluation and appeals processes for proposals in the Sixth Round Allocation of City of Industry Funds (Industry Funds), and will recommend shortly that your Board authorize loans in the amounts discussed below. The Authority received 11 proposals for affordable housing and 5 proposals for Special Needs Housing, for a total of 16 proposals.

The original allocation amount for the sixth funding round was approximately \$10,000,000. However, based on the allocation formula approved by your Board, reallocating surplus funds to the highest scoring projects and combining them with interest earnings will result in a recommended allocation of \$11,156,108. The recommended allocation will fund 12 projects, producing 438 affordable units and leveraging \$101,096,218 in external funds.

BACKGROUND

Pursuant to the procedures implemented by your Board for Industry Funds, technical consultants have completed the evaluations for the Sixth Round Applications. Subsequently, the Independent Review Panels for both Special Needs and Affordable Housing have reviewed all the evaluations and have acted on the appeals submitted by the applicants. The applicants will be notified of the results next week.

In accordance with our policy, unallocated funds of previous rounds and interest earnings will be allocated to projects in other categories until the funds are exhausted. However, the \$2,000,000 in unallocated funds currently remaining in the homeownership category will be retained exclusively for that purpose. In light of current market conditions, and to more quickly respond to opportunities in the development of for-sale housing, it is the Housing Authority's intent to recommend that a separate "open" or year-round Request for Proposals (RFP) be issued to make Industry Funds available for homeownership opportunities. The remaining categories, Affordable Multifamily, Affordable Senior Rentals and Special Needs Housing, will remain a part of the Authority's annual RFP for Industry Funds.

CONCLUSION

The Housing Authority recommends allocating \$11,156,108 to fund developments that are ready to proceed and ensure that an additional \$101,096,218 in external can be leveraged.

	Affordable Developments	Special Needs Developments
Number of Proposals to be Funded	8	4
Number of Units	339	99
Industry Funds to be Allocated	\$6,156,108	5,000,000
Amount of Leveraged Resources	\$69,872,164	\$31,224,054

The attached spreadsheet illustrates those projects that will be funded using the allocation scenarios discussed above.

The projects that will be recommended for funding are ready to proceed. If you have questions or concerns, I can be reached at (323) 890-7400 or you may contact Syed Rushdy, Director of Housing Development and Preservation at (323) 890-7230.

CJ:CBB:ms

Attach.

c: Nicole Englund, 1st District
Julia Orozco, 2nd District
Wendy Aaron, 3rd District
Sheri Sakamoto, 4th District
Conal McNamara, 5th District